CalPERS

Total Fund Monthly Update



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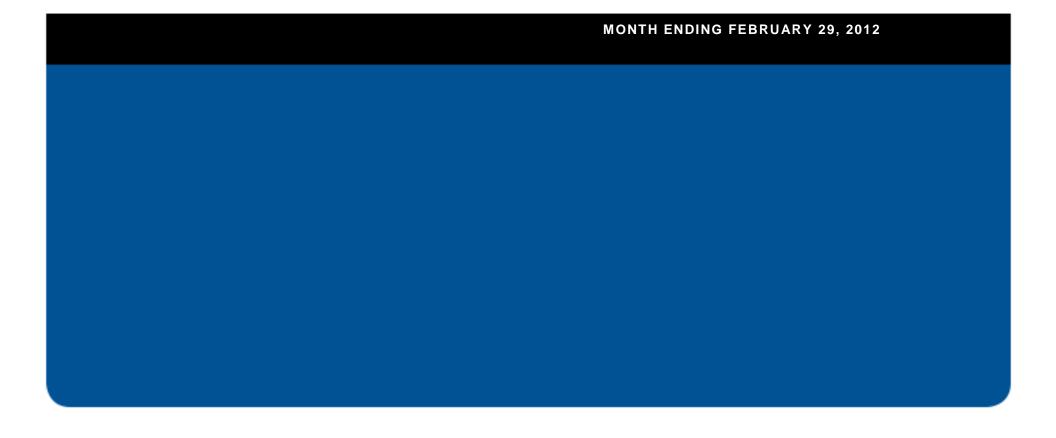
Net Performance Summary

Policy Violations

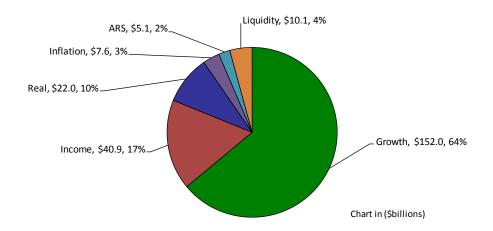
Investment Transactions Summary



Section I
Asset Allocation and Risk



Asset Allocation and Unfunded Commitments (as of February 29, 2012)



	Asset Allocation as of February 29, 2012										
	Growth	Public	Private	Income	Liquidity	Real	Real	Forestland/	Inflation	ARS ³	Total
		Equity 1	Equity 1				Estate	Infrastructure			Fund
Strategic Target Range %	56-70%	42-56%	10-18%	11-21%	1-7%	8-18%	7-13%	1-5%	1-7%		
Interim Strategic Target %	64%	50%	14%	17%	4%	11%	9%	2%	4%	N/A	N/A
Actual Investment %	64%	50%	14%	17%	4%	9%	8%	1%	3%	2%	N/A
Variance % (Strategic vs. Actual)	(0%)	0%	(0%)	0%	0%	(2%)	(1%)	(1%)	(1%)	N/A	N/A
Interim Strategic Target (\$billions)	\$152.1	\$118.8	\$33.3	\$40.4	\$9.5	\$26.1	\$21.4	\$4.8	\$9.5	N/A	\$237.6
Actual Investment (\$billions)	\$152.0	\$119.4	\$32.6	\$40.9	\$10.1	\$22.0	\$19.0	\$3.0	\$7.6	\$5.1	\$237.6
Variance \$(Interim Strategic vs. Actual) (\$billions)	(\$0.1)	\$0.6	(\$0.7)	\$0.5	\$0.6	(\$4.2)	(\$2.4)	(\$1.7)	(\$1.9)	N/A	N/A
% Passive	55%	70%	0%	0%	0%	6%	7%	0%	0%	0%	36%
% Active	45%	30%	100%	100%	100%	94%	93%	100%	100%	100%	64%
% Internal	65%	82%	0%	89%	100%	6%	7%	0%	100%	0%	65%
% External	35%	17%	100%	11%	0%	94%	93%	100%	0%	100%	35%

¹ Equity overlay and lending income are included in International Equity, undistributed lending income is included in Global Equity, currency overlay funds are included in Liquidity and the Global

³ This report provides invested dollars and not futures overlay; notional value of futures = \$4.5 billion

ı	Unfunded Market Commitments as of February 29, 2012										
ı		Private Equity Real Estate		Infrastructure		Forestland		Corporate Governance			
				(as of December 31, 2011)		(as of December 31, 2011)		(as of December 31, 2011)		(as of January 31, 2012)	
	Funded	\$(in Billions)	% Allocation	\$(in Billions)	% Allocation	\$(in Billions)	% Allocation	\$(in Billions)	% Allocation	\$(in Billions)	% Allocation
	Fair Market Value (FMV)	\$32.6	14%	\$19.0	8%	\$1.0	0%	\$2.3	1%	\$4.4	2%
	Unfunded Commitment (UC)	<u>\$12.0</u>	<u>5%</u>	<u>\$7.6</u>	<u>3%</u>	<u>\$.3</u>	<u>0%</u>	<u>\$.0</u>	<u>0%</u>	<u>\$.5</u>	<u>0%</u>
	FMV + UC	\$44.6	19%	\$26.6	11%	\$1.2	1%	\$2.3	1%	\$4.8	2%

Equity Cash Account is included in Domestic Fixed Income Transition Account is included in Domestic Fixed Income.

² Interim strategic targets adopted by Board at the August 17th, 2011 Investment Committee meeting

Top 20 Exposures: Public Markets (as of February 29, 2012)

			Total Global Fixed		
	Company Name	Total Global Equity 1	Income ²	Market Value	% of Total Fund
1	APPLE INC	\$1432.1	\$0.0	\$1432.1	0.60%
2	EXXON MOBIL CORP	\$1269.2	\$0.0	\$1269.2	0.53%
3	GENERAL ELECTRIC CO	\$607.4	\$285.8	\$893.2	0.38%
4	MICROSOFT CORP	\$782.3	\$0.0	\$782.3	0.33%
5	AT&T INC	\$571.6	\$163.0	\$734.7	0.31%
6	INTL BUSINESS MACHINES CORP	\$677.5	\$0.0	\$677.5	0.29%
7	NESTLE SA REG	\$673.7	\$0.0	\$673.7	0.28%
8	WELLS FARGO & CO	\$518.3	\$151.0	\$669.3	0.28%
9	CHEVRON CORP	\$665.5	\$0.0	\$665.5	0.28%
10	JPMORGAN CHASE & CO	\$470.8	\$174.2	\$644.9	0.27%
11	HSBC HOLDINGS PLC	\$457.4	\$141.5	\$599.0	0.25%
12	PFIZER INC	\$517.3	\$76.8	\$594.1	0.25%
13	PROCTER & GAMBLE CO	\$541.7	\$0.0	\$541.7	0.23%
14	WAL MART STORES INC	\$440.6	\$99.1	\$539.7	0.23%
15	BP PLC	\$534.0	\$0.0	\$534.0	0.22%
16	VODAFONE GROUP PLC	\$466.8	\$61.3	\$528.2	0.22%
17	JOHNSON & JOHNSON	\$513.5	\$0.0	\$513.5	0.22%
18	CITIGROUP INC	\$309.5	\$170.7	\$480.2	0.20%
19	COCA COLA CO	\$455.2	\$0.0	\$455.2	0.19%
20	VERIZON COMMUNICATIONS INC	\$351.5	\$93.9	\$445.5	0.19%

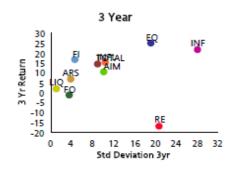
Only includes Global Equity & Fixed Income assets custodied with master custodian

¹ Source for Global Equity values: State Street Bank

² Source for Global Fixed Income values: Blackrock Solutions

Total Fund Risk Profile (as of February 29, 2012)

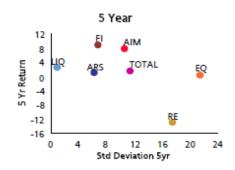
3 Year Risk Profile



TRACKING ERROR

	Excess Return (%)	Tracking Error	Information Ratio
TOTAL FUND	-4.02	3.33	-1.21
PUBLIC EQUITY	-0.19	0.96	-0.20
INCOME	4.88	2.71	1.80
PRIVATE EQUITY	-6.77	17.07	-0.40
REAL ESTATE	-20.83	16.23	-1.28
LIQUIDITY	-0.11	0.20	-0.54
INFLATION	2.24	3.43	0.65
ABSOLUTE RETURN STRATEGY	0.60	3.93	0.15
FORESTLAND	-1.16	5.10	-0.23
INFRASTRUCTURE	13.69	28.30	0.48

5 Year Risk Profile



TRACKING ERROR

	Excess Return (%)	Tracking Error	Information Ratio
TOTAL FUND	-2.40	3.12	-0.77
PUBLIC EQUITY	-0.91	1.06	-0.86
INCOME	0.40	3.29	0.12
PRIVATE EQUITY	-3.15	14.60	-0.22
REAL ESTATE	-18.34	14.07	-1.30
LIQUIDITY	-0.03	0.16	-0.19
INFLATION			
ABSOLUTE RETURN STRATEGY	-6.59	6.77	-0.97
FORESTLAND			
INFRASTRUCTURE			

Excess Return - The difference between the portfolio return and the index return for the given period

Tracking Error - Standard deviation of the Excess Return

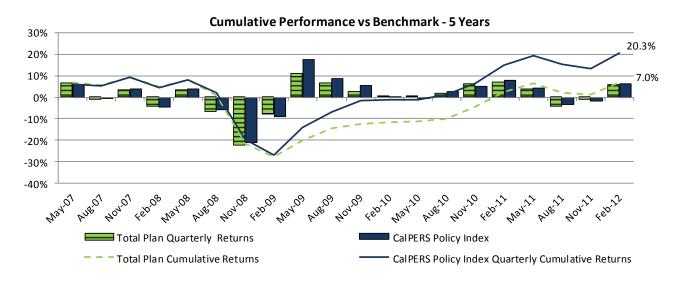
Information Ratio - Excess Return divided by the Tracking Error

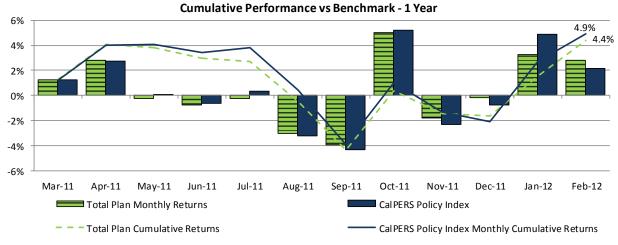
The information ratio is used to measure risk adjusted returns; industry practice suggests that below 0.15 is considered low, between 0.15 and 0.25 is medium, and above 0.35 is high.





Net Performance Summary (as of February 29, 2012)





Net Performance Summary (as of February 29, 2012)

			1 M	onth	FY	TD	1	Yr	3	Yr	5	Yr	10) Yr
TOTAL FUND SUMMARY	Ending Market Value (\$millions)	% of Total Assets	Fund Rate of Return	Excess Return in Bps	Fund Rate of Return	Excess Return in Bps	Fund Rate of Return	Excess Return in Bps	Fund Rate of Return	Excess Return in Bps	Fund Rate of Return	Excess Return in Bps	Fund Rate of Return	Excess Return in Bps
GROWTH PUBLIC EQUITY PRIVATE EQUITY	151,342 118,759 32,583	63.7 50.0 13.7	4.1 5.0 1.0	61 0 273	(2.1) (2.3) (2.1)	82 (21) 551	0.9 (1.7) 9.9	60 (9) 406	20.5 24.6 10.1	(204) (19) (677)		(153) (92) (315)	5.6	(37)
INCOME	40,882	17.2	(0.1)	20	9.8	(116)	12.8	(187)	16.3	487	8.7	40	8.1	56
LIQUIDITY	10,165	4.3	(0.4)	8	3.8	(42)	3.9	(40)	1.5	(12)	2.4	(3)	2.6	11
REAL REAL ESTATE FORESTLAND INFRASTRUCTURE	21,968 18,964 2,293 710	9.2 8.0 1.0 0.3	0.2 0.2 0.0 0.0	(3) (2) 0 (24)	3.2 4.1 (4.1) 3.2	(291) (297) (437) (76)	10.3 11.8 (7.3) 47.5	(399) (405) (757) 3,916	, ,	(2,083)	` ′		2.7 1.7	(712) (703)
INFLATION COMMODITIES INFLATION LINKED BONDS	7,621 3,644 3,977	3.2 1.5 1.7	3.0 6.0 0.3	107 (5) (18)	7.1 3.6 7.9	123 (74) 22	8.4 0.2 13.6	(33) (7) 64	15.0 16.3 12.0	224 60 16				
ABSOLUTE RETURN STRATEGY	5,137	2.2	1.2	79	(1.5)	(153)	(2.5)	(792)	6.5	61	0.9	(659)		
OVERLAY & TRANSITION ACCOUNTS	521	0.2												
TOTAL FUND	237,636	100.0	2.8	62	1.3	(9)	4.4	(52)	14.1	(402)	1.4	(239)	5.9	(94)

Total Fund Inception to Date Net Return: 8.48%.

Inception date: 07/01/1988

Note: Returns for periods greater than one year are annualized.

Net Performance vs. Long-Term Expected Returns (one year period ending February 29, 2012)

<u>Asset Class</u>	Actual Allocation (%)	One-year Net Asset Return (%)	CalPERS Long-Term Expected Annual <u>Return</u> ^{1, 2} (%)	n Current Projected <u>Standard Deviation</u> (%)	Current +/- One Standard <u>Deviation Range</u> (%)	Expected <u>Standard Deviation¹</u> (%)	+/- One Standard <u>Deviation Range ³</u> (%)
Public Equity	50	(1.7)	7.75	22.27	(14.52) - 30.02	16.00	(8.25) - 23.75
Private Equity	<u>14</u>	9.9	9.00	25.13	(16.13) - 34.13	26.00	(17.00) - 35.00
Total Growth	64	0.9					
Income	17	12.8	3.75	6.11	(2.36) - 9.86	6.50	(2.75) - 10.25
Real Estate	9	11.8	7.00	20.67	(13.67) - 27.67	14.00	(7.00) - 21.00
Forestland	1	(7.3)	7.00	17.99	(10.99) - 24.99	10.00	(3.00) - 17.00
Infrastructure	<u>0</u>	47.5	7.00	15.76	(8.76) - 22.76	10.00	(3.00) - 17.00
Total Real	9	10.3					
Inflation Linked Bonds	2	0.2	3.50	6.76	(3.26) - 10.26	6.00	(2.50) - 9.50
Commodities	2	13.6	5.00	21.97	(16.97) - 26.97	21.00	(16.00) - 26.00
Total Inflation	<u>2</u> 3	8.4					, ,
Absolute Return Strategy (ARS)	¹ 2	(2.5)		3.45	(3.45) - 3.45		
Liquidity	4	3.9	3.25	1.76	1.49 - 5.01	6.20	(2.95) - 9.45
Total Fund	100	4.4	7.38	<u>16.19</u>	(8.81) - 23.5		(4.54) - 19.30

¹ Investment Committee Meeting December 2010 excluding ARS which was not forecasted. These are the capital markets assumptions used in the 2010 Strategic Asset Allocation Study.

² Compound return

³ Standard Deviation is a measure of variability of returns around the expected average return. Returns are expected to be within minus one and plus one standard deviation 67% of the time, or two out of every three years.

Note: The Global Equity Transition Account is included in Domestic Equity, the Fixed Income Transition Account is included in Domestic Fixed Income, and the currency overlay funds are included in Liquidity for Asset Allocation purposes.



Section III
Investment Policy and Compliance



Policy Violations

Material Exceptions to Policy

According to policy requirements, the following is a summary of investment policy violations as reported by the program areas.

The following program areas had no violations to report for the period:

- Public Equity
- Private Equity
- Real Estate
- Forestland
- o Infrastructure Per the new Infrastructure Policy effective as of August 15, 2011, as stated in Section V.F.2, the requirement to meet various policy parameters will be applicable for the Infrastructure Program only when the NAV exceeds \$3 billion.
- Liquidity
- Absolute Return Strategies

The following program area had violations to report for the period:

Income

• Compliance Policy Issue:

LOW DURATION FIXED INCOME - SHORT DURATION PROGRAM: Asset and Sector Diversification Limit

AAA Structured Security (single issuer) with less than or equal to 1.5 year Weighted Average Life limited to 15% of the SDF program.

IDENTIFIED SECIURITY THAT EXCEEDED LIMIT:

Chase Issuance Trust – CHAIT_07-A13 (161571CD4) 07/15/14 - \$150mm current face (15.21% of SDF program)

Policy Violations

Date of violation - 2/1/12

Date staff was notified of violation - 2/1/12.

Staff Recommendation:

The Short Duration Program currently has not been purchasing new securities and its NAV has been decreasing over time. This has resulted in a "denominator effect" where the percentage of allocation of the identified security position has increased while the position itself has remained constant. At its peak, the Short Duration Fund's NAV was around \$6 billion. Currently the fund's NAV is around \$985 million.

Given that the violation related to concentration within a program and not to the quality of the security, staff instructed the transfer of 25mm of the bond from Short Duration to the Short Term program on March 2, 2012. This should bring Short Duration Program back to compliance.

Disclosure of Closed Session Action Items

Investment Committee Meeting	Agenda Item	Investment Committee Action	Vote
No Items to Report			



MONTH ENDING FEBRUARY 29, 2012

Items Completed Under Delegated Authority (for the month of February 29, 2012)

Program Area	Name of Investment	Commitment	Complies with Delegation Number	Due Diligence Report Received From
No items to report				

Disclosure of Placement Agent Fees (for the month of February 29, 2012)

				REGIST			
				0.70/70/70		Estimated Placement	
Program Area	Firm Name	Fund	Placement Agent Firm	SEC/FINRA	State	Agent Compensation	Туре
No Items to report							

^{*}Disclosures provided during open sessions are for amendments to current agreements and/or contracts.

Investment Transactions Summary – Estimated Values (for the month of February 29, 2012)

	PERF - Public Markets											
	Public Equity	REIT	Income	Inflation	ARS	Liquidity						
Beginning Market Value	114,535,452,392	1,347,425,075	40,933,488,624	7,401,701,275	5,156,228,923	9,896,077,356						
+ Purchases	1,458,088,349	2,444,698	12,079,850,762	-	-	9,830,128,743						
- Sales	(2,168,721,268)	(126,567)	(9,960,348,423)	(921,209,925)	(80,820,940)	(110,173,242)						
+/- Other Changes in MV	5,557,205,685	39,911,519	(2,164,040,344)	1,140,816,597	61,317,987	(9,559,660,277)						
Ending Market Value	119,382,025,157	1,389,654,725	40,888,950,619	7,621,307,947	5,136,725,970	10,056,372,579						

	PERF - Private Markets											
	Private Equity	Real Estate	Forestland	Infrastructure								
Beginning Market Value	32,069,045,480	17,574,616,856	2,293,334,765	710,230,315								
+ Contributions	459,930,726	18,482,562	-	202,129,551								
- Distributions	(231,389,254)	(198,610,521)	(1,356,400)	-								
+/- Other Changes in MV	285,434,274	180,127,957	1,356,400	(202, 129, 551)								
Ending Market Value	32,583,021,225	17,574,616,855	2,293,334,765	710,230,315								

	Total PERF Total Private Total Public Markets Markets Total PERF									
Beginning Market Value	179,270,373,645	52,647,227,416	231,917,601,061							
+ Contributions	23,370,512,552	680,542,839	24,051,055,391							
- Distributions	(13,241,400,365)	(431, 356, 175)	(13,672,756,540)							
+/- Other Changes in MV	(4,924,448,834)	264,789,080	(4,659,659,754)							
Ending Market Value	184,475,036,998	53,161,203,160	237,636,240,158							

Note: Numbers will not tie exactly to the Asset Allocation/Performance buckets due to classification differences.

Purchases and sales for unitized funds may include transactions not solely for CalPERS' Defined Benefit Plan.

Investment Proposal Activity Summary (for the month of February 29, 2012)

		Private Asse	t Classes		Public Asset Classes					
	Alternative Investments	Forestland	Infrastructure	Real Estate	ARS	Global Equities	Commodities	Global Fixed Income	Total	
Start of Month Proposals	26	0	48	46	1	1	3	4	129	
New Proposal During the Month	11	0	4	6	9	4	1	0	35	
Reinstated Proposal During Month	0	0	0	0	0	0	0	o	0	
Bardalana Bardan aka asarah					_		_		7.0	
Decisions During the Month	17	0	0	2	6	1	3	1	30	
End of Month Proposals	20	0	52	50	4	4	1	3	134	
	·									

Status Details

		Private Asse	t Classes						
Status	Alternative Investments	Forestland	Infrastructure	Real Estate	ARS	Global Equities	Commodities	Global Fixed Income	Total
Start of Month Proposals									
Submitted	1	0	0	9	0	0	0	0	10
Screening	21	0	45	26	1	1	3	4	101
Due Diligence	4	0	2	11	0	0	0	0	17
Approved	0	0	1	0	0	0	0	0	1
Subtotal	26	0	48	46	1	1	3	4	129
New Proposals During the Month									
Subtotal	11	0	4	6	9	4	1	0	35
Reinstated Proposals During Month									
Reinstated	0	0	0	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0	0	0	0
Decisions During the Month									
Committed	1	0	0	0	0	0	0	0	1
Declined	15	0	0	0	0	0	3	1	19
Failed to Materialize	1	0	0	1	0	1	0	0	3
Referred	0	0	0	1	6	0	0	0	7
Subtotal	17	0	0	2	6	1	3	1	30
End of Month Proposals									
Submitted	3	0	4	0	2	0	0	0	9
Screening	12	0	45	39	2	4	1	3	106
Due Diligence	5	0	2	11	0	0	0	0	18
Approved	0	0	1	0	0	0	0	0	1
Subtotal	20	0	52	50	4	4	1	3	134



MONTH ENDING FEBRUARY 29, 2012

Asset Allocation (as of February 29, 2012)

	Asset Allocation as of February 29, 2012												
	Global	Blobal Domestic International Domestic TIPS I		High	REITs	Commodities	Cash						
	Equity	Equity	Equity	Fixed		Yield							
Defined Benefit Plans													
Legislators' Retirement System													
Target Ranges %	27-37%	N/A	N/A	37-47%	11-19%	N/A	6-10%	1-5%	N/A				
Strategic Target %	32%			42%	15%		8%	3%	0%				
Actual Investment %	33%			42%	15%		8%	3%	0%				
Variance % (Strategic vs. Actual)	1%			(0%)	(0%)		0%	0%	0%				
Judges' Il Retirement System													
Target Ranges %	58-68%	N/A	N/A	15-25%	4-8%	N/A	6-10%	1-5%	N/A				
Strategic Target %	63%			20%	6%		8%	3%	0%				
Actual Investment %	63%			20%	6%		8%	3%	0%				
Variance % (Strategic vs. Actual)	0%			(0%)	(0%)		0%	(0%)	0%				

Allocation targets approved at the August 15, 2011 Investment Committee meeting.

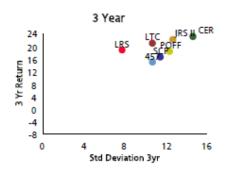
Asset Allocation (as of February 29, 2012)

Asset Allocation as of February 29, 2012												
	Global Equity	Domestic Equity	International Equity	Domestic Fixed	TIPS	High Yield	REITs	Commodities	Cash			
Health and Other Post-Employme	ent Benefit T	rusts										
Long-Term Care Fund												
Target Ranges %	N/A	20-30%	14-24%	25-35%	11-19%	N/A	6-10%	1-5%	N/A			
Strategic Target %		25%	19%	30%	15%	0%	8%	3%				
Actual Investment %		25%	19%	29%	15%	0%	8%	3%				
Variance % (Strategic vs. Actual)		0%	0%	(1%)	(0%)	0%	0%	0%				
CERBT Strategy 1												
Target Ranges %	N/A	30-40%	26-36%	13-23%	3-7%	N/A	6-10%	1-5%	N/A			
Strategic Target %		35%	31%	18%	5%	0%	8%	3%	0%			
Actual Investment %		35%	31%	18%	5%	0%	8%	3%	0%			
Variance % (Strategic vs. Actual)		(0%)	(0%)	0%	(0%)	0%	0%	0%	0%			
CERBT Strategy 2												
Target Ranges %	N/A	15-25%	25-35%	19-29%	11-19%	N/A	6-10%	1-5%	N/A			
Strategic Target %		20%	30%	24%	15%		8%	3%	0%			
Actual Investment %		20%	30%	24%	15%		8%	3%	0%			
Variance % (Strategic vs. Actual)		(0%)	0%	0%	(0%)		0%	0%	0%			
CERBT Strategy 3												
Target Ranges %	N/A	7.8-17.8%	14.2-24.2%	37-47%	11-19%	N/A	6-10%	1-5%	N/A			
Strategic Target %		13%	19%	42%	15%		8%	3%	0%			
Actual Investment %		13%	20%	41%	15%		8%	3%	0%			
Variance % (Strategic vs. Actual)		0%	0%	(1%)	(0%)		0%	0%	0%			

Allocation targets approved at the August 15, 2011 Investment Committee meeting.

Risk Profile (for the month of February 29, 2012)

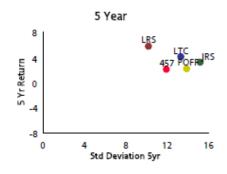
3 Year Risk Profile



TRACKING ERROR

	Excess Return (%)	Tracking Error	Information Ratio
LONG-TERM CARE FUND	0.92	0.86	1.08
CERBT TRUST AGGREGATE	0.36	0.73	0.49
457 AGGREGATE	-0.51	0.68	-0.75
JUDGES' RETIREMENT SYSTEM II FUND	0.75	0.95	0.79
BALANCED GROWTH - POFF	-1.48	0.90	-1.65
LEGISLATORS' RETIREMENT SYSTEM FUND	1.70	1.49	1.14
SCP AGGREGATE	-1.39	0.79	-1.77

5 Year Risk Profile



TRACKING ERROR

	Excess Return (%)	Tracking Error	Information Ratio
LONG-TERM CARE FUND	-0.07	1.04	-0.07
CERBT TRUST AGGREGATE			
457 AGGREGATE	-0.51	0.80	-0.64
JUDGES' RETIREMENT SYSTEM II FUND	-0.26	1.06	-0.24
BALANCED GROWTH - POFF	-1.00	1.05	-0.95
LEGISLATORS' RETIREMENT SYSTEM FUND	0.10	1.65	0.06
SCP AGGREGATE			

Excess Return - The difference between the portfolio return and the index return for the given period

Tracking Error - Standard deviation of the Excess Return

Information Ratio - Excess Return divided by the Tracking Error

The information ratio is used to measure risk adjusted returns; industry practice suggests that below 0.15 is considered low, between 0.15 and 0.25 is medium, and above 0.35 is high.

Net Performance Summary (for the month February 29, 2012)

		1 Month		FY	TD	1	Yr	3	Yr	5 Yr		10	Yr
DEFINED BENEFIT PLANS	Ending Market Value (\$millions)	Rate of	Excess Return in Bps	Fund Rate of Return	Excess Return in Bps		Excess Return in Bps	Rate of	Excess Return in Bps		Excess Return in Bps	Fund Rate of Return	
JUDGES RETIREMENT FUND	56	0.0	0	0.0	0	0.1	1	0.2	10	1.6	25	2.1	15
JUDGES RETIREMENT SYSTEM II FUND	635	3.6	6	4.6	(87)	5.8	(103)	22.0	75	3.2	(25)	6.1	7
LEGISLATOR'S RETIREMENT SYSTEM FUN	125	2.1	15	6.7	(88)	8.7	(110)	18.7	169	5.7	10	6.4	(18)
DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLANS		1 M	onth	FY	TD	1	Yr	3	Yr	5	Yr	10	Yr
CALPERS SUPPLEMENTAL INCOME 457 PLAN	952	2.9	19	1.5	(60)	1.9	(101)	14.8	(51)	2.0	(51)	4.1	
SUPPLEMENTAL CONTRIBUTIONS PLAN	19	3.2	29	2.0	(59)	2.5	(100)	16.4	(139)				
STATE PEACE OFFICERS' & FIREFIGHTERS' (POFF) SUPPLEMENTAL PLAN	488	3.4	34	2.1	(69)	2.5	(118)	18.2	(148)	2.1	(100)	4.5	(96)
HEALTH AND OTHER POST- EMPLOYMENT BENEFIT FUNDS		1 M	onth	FY	TD	1	Yr	3	Yr	5	Yr	10	Yr
CALPERS CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST (CERBT) STRATEGY 1 FUND	1,993	3.6	4	2.1	(35)	2.9	(43)	22.9	36				
CALPERS HEALTH CARE BOND FUND	479	0.2	21	5.5	(40)	7.8	(54)	8.9	140				
LONG TERM CARE FUND	3,485	2.6	13	3.7	(52)	5.2	(61)	20.8	93	4.0	(7)	6.2	27
RESERVE FUNDS		1 M	onth	FY	TD	1	Yr	3	Yr	5	Yr	10	Yr
CONTINGENCY RESERVE FUND	6	0.0	0	0.0	1	0.1	2	0.3	11	1.6	25	2.1	16
SECURITES LENDING COLLATERAL		1 M	onth	FY	TD	1	Yr	3	Yr	5	Yr	10	Yr
SECURITES LENDING COLLATERAL REINVESTMENT POOLS	7,841	0.2	22	0.46	41	2.0	188	2.97	283	1.37	10	2.09	12

Gross Performance Summary (for the month February 29, 2012)

		1 M	onth	FY	TD	1	Yr	3	Yr	5	Yr	10	Yr
DEFINED BENEFIT PLANS	Ending Market Value (\$millions)		Excess Return in Bps	Fund Rate of Return	Excess Return in Bps	Fund Rate of Return	Excess Return in Bps		Excess Return in Bps	-	Excess Return in Bps	Fund Rate of Return	Excess Return in Bps
JUDGES RETIREMENT FUND	56	0.0	0	0.0	0	0.1	1	0.2	10	1.6	25	2.1	15
JUDGES RETIREMENT SYSTEM II FUND	635	3.6	6	4.6	(87)	5.8	(103)	22.0	75	3.2	(25)	6.1	7
LEGISLATOR'S RETIREMENT SYSTEM FUN	125	2.1	15	6.7	(88)	8.7	(110)	18.7	169	5.7	10	6.4	(18)
DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLANS		1 M	onth	FY	TD	1	Yr	3	Yr	5	Yr	10) Yr
CALPERS SUPPLEMENTAL INCOME 457 PLAN	952	2.9	22	1.8	(25)	2.5	(45)	15.4	7				
SUPPLEMENTAL CONTRIBUTIONS PLAN	19	3.2	29	2.3	(33)	2.9	(59)	16.9					
STATE PEACE OFFICERS' & FIREFIGHTERS' (POFF) SUPPLEMENTAL PLAN	488	3.4	34	2.4	(39)	3.0	(70)	18.9	(23)	2.9	(22)	5.2	(23
HEALTH AND OTHER POST- EMPLOYMENT BENEFIT FUNDS		1 M	onth	FY	TD	1	Yr	3	Yr	5	Yr	10) Yr
CALPERS CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST (CERBT) STRATEGY 1 FUND	1,993	3.6	4	2.1	(35)	2.9	(43)	22.9	36				
CALPERS HEALTH CARE BOND FUND	479	0.2		5.5	(40)		,		30				
LONG TERM CARE FUND	3,485	2.6		3.7	(52)		, ,		27	0.0	(7)	6.2	27
RESERVE FUNDS		1 M	onth	FY	TD	1	Yr	3	Yr	5	Yr	10) Yr
CONTINGENCY RESERVE FUND	6	0.0	0	0.0	1	0.1	2	0.3	16	1.6	25	2.1	16

Policy Violations

Material Exceptions to Policy

The following program area had violations to report for the period:

Securities Lending

• Compliance Issue:

SECURITIES LENDING -Delegated Cash Collateral Re-Investment Guidelines

Cash collateral received must be invested in securities that receive the required credit quality level.

ABS Minimum Credit Rating: Aaa/AAA/AAA

IDENTIFIED SECURITY THAT DID NOT MEET RATING:

SLM Student Loan Trust - SLMA_07-3_A2 (78443YAB2) 10/25/17 - \$160mm current face

S&P downgraded from AAA to AA+ on 2-7-12

Date of violation - 2/7/12

Date staff was notified of violation - 2/8/12.

Staff Recommendation:

On February 7, 2011, S&P downgraded the bond to AA+.

On February 8, 2012, staff placed an indicative bid on the bond to brokers and bid levels provided were not attractive. Staff recommended holding the bond for now but will closely monitor the bond to determine future action.

The bond is backed by 100% FFELP student loans which are guaranteed by the federal government.

Per Securities Lending Policy, the Consultant shall be asked to provide an opinion on all new Policy Violations. Attached is Wilshire's letter for the most recent Policy Violations (Attachment 2).

Policy Violations

Investment Transactions Summary – Estimated Values (for the month of February 29, 2012)

		Α	ffiliate Funds - Publ	ic Markets			
	CERBT Strategy 1 Fund	Health Care Bond Fund	Judges Retirement Fund	Judges Retirement System II Fund	Legislator's Retirement System Fund	Long Term Care Fund	Contingency Reserve Fund
Beginning Market Value	1,899,746,087	478,456,537	55,863,411	608,586,115	123,280,616	3,385,372,683	6,110,404
+ Purchases	15,427,376	-	45	8,500,000	1,825,000	47,525,019	5
- Sales	(175,080,272)	-	(822)	(4,500,011)	(2,850,000)	(47,025,017)	(90)
+/- Change in MV	68,063,928	896,486	360	22,367,722	2,927,991	98,868,721	39
Ending Market Value	1,808,157,119	479,353,024	55,862,994	634,953,826	125,183,607	3,484,741,406	6,110,358



CalPERS Investment Office Investment Servicing Division 400 Q Street Sacramento, CA. 95814